# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:1040
ANSWERED ON:23.10.2008
ALLOTMENT OF PETROL PUMP DELAERSHIUP BY OIL PSUS
Singh Shri Uday

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a): whether the Government is aware that some oil PSUs have suspended their policy to award RO dealerships to the land owners after December,2007;

(b): if so, the details and the reasons therefor;

(c): the number of petrol pump dealerships have been awarded to the land owners by all oil PSUs during the year October 2002 to 2007,company-wise and year-wise;

(d): whether it is permissible as per the policy;and

(e): if not, the action taken/proposed to be taken by the Government in this regard?

## Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL )

(a) to (c): Subsequent to the dismantling of the Administered Pricing Mechanism (APM) w.e.f 1.4.2002,public sector oil marketing companies (OMCs), viz.,Indian Oil Corporation Limited (IOC), Hindustan Petroleum Corporation Ltd.(HPC),Bharat Petroleum Corporation Limited (BPC) and erstwhile IBP Co. Limited (now merged with IOC) were given freedom to frame their own guidelines on selection of dealers/distributors of petroleum products with the approval of their respective Boards.Under the guidelines framed by the OMCs,there was a scheme for allotment of Retail Outlets (RO) to the land owners without the route of advertisement.However,when this scheme was brought to the notice of this Ministry,it was felt that the scheme was not in conformity with Ministry initiatives to impart transparency and fairness in the selection process.Therefore,this Ministry,vide letter dated 27.12.2004,had advised the OMCs,to temporarily suspend allotment of Retail Outlet(RO) dealerships under the 'Land Owners' category.Further vide letter dated 17.02.2005, Ministry clarified that the temporary suspension in the allotment of RO dealerships under the 'Land Owners' category will be applicable only in respect of those cases where allotments were being made without recourse to open advertisements.Subsequently,vide letter dated 22.2.2005, this Ministry had advised OMCs that they should,after receipt of direct offers of land,assess the viability of the location and if viable,release advertisements in 2 widely read newspapers in the area stating the fact of having received offer(s) of land for dealerships and that they are inviting similar offers from others locations.Further,the final selection of dealer will be on the basis of evaluation of the lands offered and evaluation of the candidates in respect of other parameters as provided for in the normal selection guidelines.

The company-wise details of RO dealerships awarded to the land owners by OMCs during the period October,2002 to December,2007 are as under:-

| Year | Number of Retail Outlets (ROs) | |
|---|---|---|
| | IOC | BPC |
| Oct'02 - Mar'03 | 229 | 0 |
| Apr'03 - Mar'04 | 1422 | 143 |
| Apr'04 - Mar'05 | 866 | 262 |
| Apr'05 - Mar'06 | 530 | 110 |

Apr'06 - Dec'07 131 112

HPC

Oct-Dec,2002 Nil

Jan-Dec,2003 Nil

Jan-Dec,2004 724

Jan-Dec,2005 Nil

Jan-Dec,2006 1

Jan-Dec,2007 Nil

(d)&(e): The above allotments of RO dealerships were made in line with the prevailing guidelines of respective OMCs.